

103^D CONGRESS
1ST SESSION

H. R. 1964

AN ACT

To authorize appropriations for the Maritime Administration for fiscal year 1994, and for other purposes.

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To authorize appropriations for the Maritime Administration for fiscal year 1994, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Maritime Administra-
5 tion Authorization Act for Fiscal Year 1994”.

6 **SEC. 2. AUTHORIZATIONS FOR MARITIME ADMINISTRA-**
7 **TION.**

8 (a) AUTHORIZATIONS.—In fiscal year 1994, the fol-
9 lowing amounts are authorized to be appropriated for the
10 Maritime Administration (Department of Transportation):

1 (1) Any amounts necessary to liquidate obliga-
2 tions under operating-differential subsidy contracts
3 for the fiscal year 1994 portion of the total contract
4 authority.

5 (2) \$41,013,000 for expenses related to man-
6 power, education, and training, including—

7 (A) \$28,877,000 for maritime training at
8 the United States Merchant Marine Academy at
9 Kings Point, New York;

10 (B) \$10,344,000 for assistance to the
11 State maritime academies (including for reim-
12 bursement of fuel costs associated with the op-
13 eration of training vessels), of which
14 \$1,200,000 may be used for training simulators
15 for the State maritime academies; and

16 (C) \$1,792,000 for manpower and addi-
17 tional training.

18 (3) \$30,713,000 for operating programs, in-
19 cluding—

20 (A) \$19,989,000 for general administra-
21 tion;

22 (B) \$8,983,000 for development and use of
23 water transportation systems; and

24 (C) \$1,741,000 for research, technology,
25 and analysis.

1 (4) \$254,355,000 for expenses related to na-
2 tional security support capabilities, including—

3 (A) \$6,937,000 for the National Defense
4 Reserve Fleet;

5 (B) \$1,418,000 for emergency planning
6 and operations; and

7 (C) \$246,000,000 for the Ready Reserve
8 Force, including—

9 (i) \$242,000,000 for maintenance and
10 operations programs in support of the
11 Ready Reserve Force; and

12 (ii) \$4,000,000 for Ready Reserve
13 Force facilities.

14 (5) \$4,000,000 to pay administrative costs re-
15 lated to new loan guarantee commitments under title
16 XI of the Merchant Marine Act, 1936 (46 App.
17 U.S.C. 1271 et seq.), relating to Federal ship mort-
18 gage insurance.

19 (6) \$50,000,000 for costs (as that term is de-
20 fined in section 502 of the Federal Credit Reform
21 Act of 1990 (2 U.S.C. 661a)) of new loan guarantee
22 commitments under title XI of the Merchant Marine
23 Act, 1936 (46 App. U.S.C. 1271 et seq.).

1 (7) \$242,000 for assistance to the Massachu-
2 setts Center for Marine Environmental Protection
3 located at the Massachusetts Maritime Academy.

4 (b) USE OF PROCEEDS OF SALES.—Notwithstanding
5 any other provision of law, the Secretary of Transpor-
6 tation may use proceeds derived from the sale or disposal
7 of National Defense Reserve Fleet vessels that are cur-
8 rently collected and retained by the Maritime Administra-
9 tion for facility and ship maintenance, modernization and
10 repair, acquisition of equipment, training simulators, and
11 fuel costs necessary to maintain training at the United
12 States Merchant Marine Academy and the State maritime
13 academies.

14 **SEC. 3. NATIONAL SHIPBUILDING ENHANCEMENT INSTI-**
15 **TUTES.**

16 (a) DESIGNATION BY SECRETARY OF TRANSPOR-
17 TATION.—The Secretary of Transportation may designate
18 National Shipbuilding Enhancement Institutes.

19 (b) ACTIVITIES.—Activities undertaken by such an
20 Institute may include—

21 (1) vessel construction and repair technology
22 development with an emphasis on improving the pro-
23 ductivity of United States shipyards through innova-
24 tive design, engineering, or operations;

1 (2) enhancing the international competitiveness
2 of domestic shipyards in ship construction and re-
3 pair;

4 (3) documenting and forecasting international
5 and domestic trends in ship construction and repair;

6 (4) fostering innovations in the domestic ship-
7 building marketing system; and

8 (5) providing technical support on shipbuilding
9 practices.

10 (c) SUBMISSION OF APPLICATIONS.—An institution
11 seeking designation as a National Shipbuilding Enhance-
12 ment Institute shall submit an application under regula-
13 tions prescribed by the Secretary.

14 (d) DESIGNATION CRITERIA.—The Secretary shall
15 designate an Institute under this section on the basis of
16 the following criteria:

17 (1) The research and extension resources avail-
18 able to the designee for carrying out the activities
19 specified in subsection (b).

20 (2) The existence of an established program of
21 the designee encompassing research, education, and
22 training directed to enhancing shipbuilding indus-
23 tries.

24 (3) The ability of the designee to assemble and
25 evaluate pertinent information from national and

1 international sources and to disseminate results of
2 shipbuilding industry research and educational pro-
3 grams.

4 (4) The qualification of the designee as a non-
5 profit institution of maritime or higher education.

6 (e) GRANTS.—The Secretary may make an award, on
7 a matching basis, to any institute designated under sub-
8 section (a), from amounts appropriated.

9 **SEC. 4. REIMBURSEMENT OF CERTAIN FEES BY STATE**
10 **MARITIME ACADEMIES.**

11 (a) CONDITION OF ASSISTANCE.—Section 1304(d) of
12 the Merchant Marine Act, 1936 (46 App. U.S.C.
13 1295c(d)) is amended by adding at the end the following:

14 “(3)(A) Subject to subparagraph (B), an agreement
15 under this subsection shall require a State maritime acad-
16 emy to reimburse each qualified individual for any fee or
17 charge for which the individual is liable to the United
18 States for—

19 “(i) the issuance of an entry level license under
20 chapter 71 of title 46, United States Code;

21 “(ii) the first issuance of a merchant mariner’s
22 document under chapter 73 of that title;

23 “(iii) an evaluation or examination for such a li-
24 cense or merchant mariner’s document conducted

1 before the end of the period described in subpara-
2 graph (D)(ii); or

3 “(iv) an application for such a license, mer-
4 chant mariner’s document, evaluation, or examina-
5 tion.

6 “(B) A State maritime academy shall reimburse
7 qualified individuals under subparagraph (A) to the extent
8 amounts are available under subparagraph (C).

9 “(C) In addition to annual payments under para-
10 graph (1)(A) and subject to the availability of appropria-
11 tions, the Secretary shall annually pay to each State mari-
12 time academy that enters into an agreement under para-
13 graph (1) amounts to reimburse qualified individuals
14 under subparagraph (A).

15 “(D) In this paragraph, the term ‘qualified individ-
16 ual’ means an individual who—

17 “(i) is attending or is a graduate of a State
18 maritime academy;

19 “(ii) fulfills the requirements for a license or
20 merchant mariner’s document described in subpara-
21 graph (A) not later than three months after the date
22 the individual graduates from a State maritime
23 academy; and

24 “(iii) is liable for a fee or charge described in
25 subparagraph (A).”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) is effective October 1, 1993.

3 (c) AMENDMENT OF EXISTING AGREEMENTS.—As
4 soon as practicable after the date of the enactment of this
5 Act, the Secretary of Transportation shall amend agree-
6 ments under section 1304(d) of the Merchant Marine Act,
7 1936 (46 App. U.S.C. 1295c(d)) pursuant to the amend-
8 ment made by subsection (a).

9 (d) ADDITIONAL APPROPRIATIONS AUTHORIZED.—
10 In addition to amounts authorized to be appropriated for
11 assistance to State maritime academies, there is author-
12 ized to be appropriated \$300,000 for fiscal year 1994 to
13 reimburse qualified individuals pursuant to the amend-
14 ment made by subsection (a).

15 **SEC. 5. NATIONAL MARITIME ENHANCEMENT INSTITUTES.**

16 Section 8(e) of the Act of October 13, 1989 (46 App.
17 U.S.C. 1121-2(e)), is amended to read as follows:

18 “(e) The Secretary may make awards on an equal
19 or partial matching basis to an Institute designated under
20 subsection (a) from amounts appropriated.”.

21 **SEC. 6. TERMINATION OF CONDITION FOR STATE MARI-**
22 **TIME ACADEMY ASSISTANCE.**

23 (a) IN GENERAL.—Section 1304(f)(1) of the Mer-
24 chant Marine Act, 1936 (46 App. U.S.C. 1295c(f)(1)) is
25 amended to read as if section 3 of the Act of October 13,

1 1989 (Public Law 101–115; 103 Stat. 692), had not been
2 enacted.

3 (b) EFFECTIVE DATE.—The amendment made by
4 subsection (a) shall be effective October 13, 1989.

5 (c) CLERICAL AMENDMENTS.—

6 (1) Section 3 of the Act of October 13, 1989
7 (Public Law 101–115; 103 Stat. 692), is repealed.

8 (2) Section 706 of the Federal Maritime Com-
9 mission Authorization Act of 1990 (46 App. U.S.C.
10 1295c note) is repealed.

11 **SEC. 7. MAINTENANCE CONTRACTS FOR NATIONAL DE-**
12 **FENSE RESERVE FLEET VESSELS.**

13 The Secretary of Transportation may enter into a
14 contract for the maintenance of the National Defense Re-
15 serve Fleet, including the Ready Reserve Force, only for—

16 (1) the repair, activation, operation, berthing,
17 towing, or lay-up of a vessel;

18 (2) a vessel used by a State maritime academy;

19 or

20 (3) obtaining maintenance technical services
21 when—

22 (A) the technical expertise required for
23 that service is beyond the capabilities of the
24 Fleet staff or when the Fleet has insufficient

1 personnel resources to adequately maintain the
2 Fleet; and

3 (B) the contract does not result in reduc-
4 ing employment at the Fleet site.

5 **SEC. 8. MAINTENANCE OF READY RESERVE FORCE VES-**
6 **SELS IN REDUCED OPERATING STATUS.**

7 The Secretary shall, during fiscal year 1994, main-
8 tain in a reduced operating status—

9 (1) at least 29 vessels in the Ready Reserve
10 Force component of the National Defense Reserve
11 Fleet, or

12 (2) a lesser number of those vessels that the
13 Secretary determines to be practicable based on the
14 appropriations available for that fiscal year for
15 maintenance of vessels in that Force.

16 **SEC. 9. VESSEL REPAIR AND MAINTENANCE PILOT PRO-**
17 **GRAM.**

18 (a) IN GENERAL.—The Secretary of Transportation
19 shall conduct a pilot program to evaluate the feasibility
20 of using long-term contracts for the maintenance and re-
21 pair of outported vessels in the Ready Reserve Force to
22 enhance the readiness of those vessels. Under the pilot
23 program, the Secretary, subject to the availability of ap-
24 propriations and within 6 months after the date of the

1 enactment of this Act, shall award 9 contracts for this
2 purpose.

3 (b) USE OF VARIOUS CONTRACTING ARRANGE-
4 MENTS.—In conducting a pilot program under this sec-
5 tion, the Secretary of Transportation shall use contracting
6 arrangements similar to those used by the Department of
7 Defense for procuring maintenance and repair of its
8 vessels.

9 (c) CONTRACT REQUIREMENTS.—Each contract with
10 a shipyard under this section shall—

11 (1) subject to subsection (d), provide for the
12 procurement from the shipyard of all repair and
13 maintenance (including activation, deactivation, and
14 drydocking) for one vessel in the Ready Reserve
15 Force that is outported in the geographical vicinity
16 of the shipyard; and

17 (2) be effective for 3 years.

18 (d) LIMITATION ON WORK UNDER CONTRACTS.—A
19 contract under this section may not provide for the pro-
20 curement of operation or manning for a vessel that may
21 be procured under another contract for the vessel to which
22 section 11(d)(2) of the Merchant Ship Sales Act of 1946
23 (50 App. U.S.C. 1744(d)(2)) applies.

1 (e) GEOGRAPHIC DISTRIBUTION.—The Secretary
2 shall seek to award contracts under this section to ship-
3 yards that are distributed throughout the United States.

4 (f) REPORTS.—The Secretary shall submit to the
5 Congress—

6 (1) an interim report on the effectiveness of
7 each contract under this section in providing for eco-
8 nomic and efficient repair and maintenance of the
9 vessel covered by the contract, by not later than 20
10 months after the date of the enactment of this Act;
11 and

12 (2) a final report on that effectiveness, by not
13 later than 6 months after the termination of all con-
14 tracts awarded pursuant to this section.

15 **SEC. 10. GEOGRAPHIC DISTRIBUTION OF READY RESERVE**
16 **FORCE VESSELS.**

17 (a) REPORT.—Not later than 60 days after the date
18 of the enactment of this Act, the Secretary of Transpor-
19 tation shall submit a report to the Congress which de-
20 scribes where vessels in the Ready Reserve Force will be
21 located in fiscal year 1994.

22 (b) CONSIDERATION OF PORTS IN LOCATING VES-
23 SELS.—In selecting locations where Ready Reserve Force
24 vessels will be outported, the Secretary of Transportation

1 shall consider ports that have historically been involved in
2 outporting of those vessels.

3 **SEC. 11. MARITIME POLICY REPORT.**

4 (a) REPORT.—The Secretary of Transportation shall
5 transmit to the Congress a report setting forth the De-
6 partment of Transportation's policies for the 5-year period
7 beginning October 1, 1993, with respect to—

8 (1) fostering and maintaining a United States
9 merchant marine capable of meeting economic and
10 national security requirements;

11 (2) improving the vitality and competitiveness
12 of the United States merchant marine and the mari-
13 time industrial base, including ship repairers, ship-
14 builders, ship manning, ship operators, and ship
15 suppliers;

16 (3) reversing the precipitous decrease in the
17 number of ships in the United States-flag fleet and
18 the Nation's shipyard and repair capability;

19 (4) stabilizing and eventually increasing the
20 number of mariners available to crew United States
21 merchant vessels;

22 (5) achieving adequate manning of merchant
23 vessels for national security needs during a mobiliza-
24 tion;

1 (6) ensuring that sufficient civil maritime re-
2 sources will be available to meet defense deployment
3 and essential economic requirements in support of
4 our national security strategy;

5 (7) ensuring that the United States maintains
6 the capability to respond unilaterally to security
7 threats in geographic areas not covered by alliance
8 commitments and otherwise meets sealift require-
9 ments in the event of crisis or war;

10 (8) ensuring that international agreements and
11 practices do not place United States maritime indus-
12 tries at an unfair competitive disadvantage in world
13 markets;

14 (9) ensuring that Federal agencies promote,
15 through efficient application of laws and regulations,
16 the readiness of the United States merchant marine
17 and supporting industries; and

18 (10) any other relevant maritime policies.

19 (b) DATE OF TRANSMITTAL.—The report required
20 under subsection (a) shall be transmitted along with the
21 President's budget submission, pursuant to section 1105
22 of title 31, United States Code, for fiscal year 1995.

1 **SEC. 12. PILOT PROGRAM ON SEALIFT TRAINING.**

2 The Secretary of Transportation shall establish a 3-
3 year pilot program for Sealift Training at the Massachu-
4 setts Maritime Academy.

5 **SEC. 13. SPECIAL RULE FOR VESSEL CONSTRUCTION GUAR-**
6 **ANTEES.**

7 (a) IN GENERAL.—Notwithstanding any provision of
8 title XI of the Merchant Marine Act, 1936 (46 App.
9 U.S.C. 1271 et seq.), in guaranteeing an obligation under
10 that title with amounts appropriated for fiscal year 1994,
11 the Secretary of Transportation shall guarantee an
12 amount of principal or interest (or both) that is equal to
13 87½ percent of the actual cost or depreciated actual cost
14 (as those terms are defined in that title) of the vessel or
15 facility that is used as security for the guarantee.

16 (b) EXCEPTION.—Subsection (a) shall not apply to
17 the guarantee of an obligation if the Secretary determines
18 that—

19 (1) special economic circumstances exist; and

20 (2) there is good cause for guaranteeing a less-
21 er percentage of principal or interest (or both) au-
22 thorized by that title.

23 **SEC. 14. WAIVERS FOR CERTAIN VESSELS.**

24 (a) IN GENERAL.—Notwithstanding sections 12106,
25 12107, and 12108 of title 46, United States Code, and
26 section 27 of the Merchant Marine Act, 1920 (46 App.

1 U.S.C. 883), the Secretary of Transportation may issue
2 a certificate of documentation for the following vessels:

3 (1) AFTERSAIL (United States official num-
4 ber 689427).

5 (2) ALEXANDRIA (United States official
6 number 586490).

7 (3) ARIEL (United States official number
8 954762).

9 (4) BRANDARIS (Rhode Island registration
10 number 2848N; former United States official num-
11 ber 263174).

12 (5) COMPASS ROSE (United States official
13 number 695865).

14 (6) DIXIE (United States official number
15 513159).

16 (7) GRAY (Connecticut State vessel number
17 CT5944AJ).

18 (8) GYPSY COWBOY (United States official
19 number 550771).

20 (9) IMPATIENT LADY (United States official
21 number 553952).

22 (10) ISLAND GIRL (United States official
23 number 674840).

24 (11) LAURISA (United States official number
25 924052).

1 (12) MARINER (United States official number
2 285452).

3 (13) MOONSHINE (United States official
4 number 974226).

5 (14) MYSTIQUE (United States official num-
6 ber 921194).

7 (15) NORTHERN LIGHT (United States offi-
8 cial number 237510).

9 (16) PLAY PRETTY (United States official
10 number 975346).

11 (17) PRINCE OF TIDES II (United States of-
12 ficial number 903858).

13 (18) SHILOH (United States official number
14 902675).

15 (19) SWELL DANCER (United States official
16 number 622046).

17 (20) TESSA (United States official number
18 675130).

19 (21) TOP DUCK (United States official num-
20 ber 990973).

21 **SEC. 15. PROHIBITION ON TRANSFER.**

22 Notwithstanding any other provision of law, the Sec-
23 retary of Transportation may not approve the transfer of
24 a United States-documented oceangoing merchant vessel
25 that is of 3,000 gross tons or more (or that type of a

1 vessel the last documentation of which was under the laws
2 of the United States) to a foreign registry under section
3 9(c) of the Shipping Act, 1916 (46 App. U.S.C. 808)
4 through December 31, 1994.

5 **SEC. 16. AMENDMENTS RELATING TO COAST GUARD MARI-**
6 **TIME ACADEMY RESERVE TRAINING PRO-**
7 **GRAM.**

8 (a) NAVAL RESERVE STATUS.—Section 1304(g)(2)
9 of the Merchant Marine Act, 1936 (46 App. U.S.C.
10 1304(g)(2)) is amended by inserting before the period the
11 following: “, unless the individual participates in the Coast
12 Guard Maritime Academy Reserve Training Program”.

13 (b) RESERVE SERVICE OBLIGATION.—Section
14 1304(g)(3)(D) of the Merchant Marine Act, 1936 (46
15 App. U.S.C. 1304(g)(3)(D)) is amended by—

16 (1) inserting “(i) after “commissioned officer”;

17 (2) inserting “(except as provided in clause
18 (ii))” after “the United States Coast Guard Re-
19 serve”; and

20 (3) inserting before the semicolon at the end
21 the following: “; or (ii) in the United States Coast
22 Guard Reserve for such period following that date of
23 graduation as may be established by the Secretary
24 of the department in which the Coast Guard is oper-
25 ating, in the case of an individual that participates

1 in the Coast Guard Maritime Academy Reserve
2 Training Program;”.

3 (c) PENALTIES FOR FAILURE TO FULFILL INCEN-
4 TIVE PAYMENT AGREEMENT.—Section 1304(g) of the
5 Merchant Marine Act, 1936 (46 App. U.S.C. 1304(g)) is
6 amended—

7 (1) in paragraph (4) by inserting “, except as
8 provided in paragraph (8),” after “such individual
9 may”;

10 (2) in paragraph (5) by inserting “, except as
11 provided in paragraph (8),” after “such individual
12 may”; and

13 (3) by adding at the end the following:

14 “(8)(A) Paragraphs (4) and (5) shall not apply to
15 a failure to fulfill a part of an agreement, by an individual
16 who—

17 “(i) is enlisted in the United States Coast
18 Guard Reserve; and

19 “(ii) participates in the Coast Guard Maritime
20 Academy Reserve Training Program.

21 “(B) If the Secretary determines that an individual
22 described in subparagraph (A) has failed to fulfill any part
23 of the agreement (required by paragraph (1)) described
24 in paragraph (3), the individual may be ordered to active
25 duty in the Coast Guard to serve for a period of time de-

1 terminated by the Commandant of the Coast Guard, not to
2 exceed 2 years. In cases of hardship as determined by the
3 Secretary, the Secretary may waive this subparagraph.”.

4 (d) COAST GUARD MARITIME ACADEMY RESERVE
5 TRAINING PROGRAM DEFINED.—Section 1304(g) of the
6 Merchant Marine Act, 1936 (46 App. U.S.C. 1304(g)), as
7 amended by this section, is further amended by adding
8 at the end the following:

9 “(9) In this subsection, the term ‘Coast Guard Mari-
10 time Academy Reserve Training Program’ means that
11 program established by the Commandant of the Coast
12 Guard, as in effect on the date of the enactment of the
13 Maritime Administration Authorization Act for Fiscal
14 Year 1994.”.

15 **SEC. 17. COMPLIANCE WITH BUY AMERICAN ACT**

16 No funds appropriated pursuant to this Act may be
17 expended by an entity unless the entity agrees that in ex-
18 pending the assistance the entity will comply with sections
19 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a-
20 10c, popularly known as the “Buy American Act”).

21 **SEC. 18. SENSE OF CONGRESS; REQUIREMENT REGARDING**

22 **NOTICE**

23 (a) PURCHASE OF AMERICAN-MADE EQUIPMENT
24 AND PRODUCTS.—In the case of any equipment or prod-
25 ucts that may be authorized to be purchased with financial

1 assistance provided under this Act, it is the sense of the
2 Congress that entities receiving such assistance should, in
3 expending the assistance, purchase only American-made
4 equipment and products.

5 (b) NOTICE TO RECIPIENTS OF ASSISTANCE.—In
6 providing financial assistance under this Act, the head of
7 each Federal agency shall provide to each recipient of the
8 assistance a notice describing the statement made in sub-
9 section (a) by the Congress.

10 **SEC. 19. PROHIBITION OF CONTRACTS.**

11 If it has been finally determined by a court or Federal
12 agency that any person intentionally affixed a label bear-
13 ing a “Made in America” inscription, or any inscription
14 with the same meaning, to any product sold in or shipped
15 to the United States that is not made in the United
16 States, such person shall be ineligible to receive any con-
17 tract or subcontract made with funds provided pursuant
18 to this Act, pursuant to the debarment, suspension, and
19 ineligibility procedures described in section 9.400 through
20 9.409 of title 48, Code of Federal Regulations.

Passed the House of Representatives July 29, 1993.

Attest:

Clerk.

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